

Rep Rohrabacher testimony on HR 3028 Local Port Discretionary User Fee Authority

I would like to thank Chairman Duncan for convening this hearing and inviting me to testify. I can say right off that the chairman is a man of his word. When I first raised the issue of port fees several weeks ago on the House floor, Chairman Duncan promised he'd bring up this issue in his committee. Here we are.

America is facing a huge expenditure as a result making our ports and harbors more secure. We are talking billions of dollars. "Who pays?" is the

question we need to address. We are done with the days when the American taxpayers would first pick up the tab for any major improvement in our port system in the name of trade, which, *prima facie*, is in the interest of our people.

What happens under the current system is that Americans are taxed to pay for improvements to our ports, which are then used by foreign manufacturers to export their products into our markets more efficiently. Yes, we end up taxing our own manufacturers in order to help their foreign competitors put them out of business. Something is wrong with this formula.

My legislation will permit local port authorities the right to levy a fee on containers passing through their ports. This fee will be fed into a fund controlled by the local port authority to meet the new and rising cost of security and infrastructure.

Why should all the tens of billions of dollars needed for this upgrading come out of the hide of our own taxpayers? Should the manufacturers in Shanghai not pay a share of the cost through a fee on the containers they send through our well-oiled port facilities? After all, are these foreign manufacturers not making huge profits by using an infrastructure provided for them by our own taxpayers? We should be expecting

foreign businesses through a container fee to pay their fair share.

If the ports do not want to ask their customers for fees, but would rather come here and have us take that money out of the pockets of our own people, well, I am sorry, they are going to be disappointed.

But the American people will not be disappointed.

The American people will be disappointed if we continue to subsidize overseas competitors who manufacture products that put our own people out of work, that we continue to provide them these services free of charge, of course, at the expense of the American taxpayer.

This is our opportunity to create a fair system of providing resources to our ports and our harbors by allowing ports to levy container fees.

When I offered my container fee amendment to the Water Resources Development Act, some claimed that my bill would open a huge can of worms and let just about anyone not associated with a port authority collect fees on containers. Let me say, that was not the intent of my amendment. Nor do I think it would be the practical effect of my amendment.

I'd like to address this criticism for a moment.

I chose Sec 208 of the Water Resources and Development Act for amendment as a matter of simplicity: I wanted to avoid having to construct an entirely new statutory framework, if the existing structure could be improved upon.

As for the definition of ‘non-federal interest’, which some say means everything except for our ports authorities, I intended for this authority to be limited to a State or local port authority and not some other public or non-profit entity that may be a party to a cooperation agreement with the Corps of Engineers. However, I am willing to add a more narrow definition to my bill in order to make it perfectly

clear that ‘non-federal interest’ means port authority.

I have already begun to consult with the representatives of the ports in my district on this clarification.

Mr. Chairman, my legislation, with some modification and help from this committee could provide a container fee system that gives our ports the flexibility to tailor port security programs to suit local needs, and the money to pay for massive future infrastructure improvements. More importantly, it will take the American taxpayer off the hook. Mr. Chairman, thank you, once again, for your kind invitation. END